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FM AMEMBASSY LA PAZ
TO RUEHC/SECSTATE WASHDC PRIORITY 1417
INFO RUEHAC/AMEMBASSY ASUNCION 6326
RUEHBO/AMEMBASSY BOGOTA 3650
RUEHBR/AMEMBASSY BRASILIA 7513
RUEHBU/AMEMBASSY BUENOS AIRES 4770
RUEHCV/AMEMBASSY CARACAS 2022
RUEHPE/AMEMBASSY LIMA 2090
RUEHLO/AMEMBASSY LONDON 0098
RUEHMD/AMEMBASSY MADRID 3194
RUEHME/AMEMBASSY MEXICO 1918
RUEHMN/AMEMBASSY MONTEVIDEO 4220
RUEHFR/AMEMBASSY PARIS 0103
RUEHQT/AMEMBASSY QUITO 4659
RUEHSG/AMEMBASSY SANTIAGO 9244
RUEHRI/AMCONSUL RIO DE JANEIRO 0894
RUEHSO/AMCONSUL SAO PAULO 2057
RHEHNSC/NSC WASHINGTON DC
RHEBAAA/DEPT OF ENERGY WASHINGTON DC
RUCPDOG/DEPT OF COMMERCE WASHINGTON DC
RUEATRS/DEPT OF TREASURY WASHINGTON DC

C O N F I D E N T I A L LA PAZ 003177

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STATE FOR WHA/AND
TREASURY FOR SGOOCH
ENERGY FOR CDAY AND SLADISLAW

E.O. 12958: DECL: 11/27/2016
TAGS: [ECON](#) [EINV](#) [ENRG](#) [EPET](#) [BL](#)
SUBJECT: EXXON MOBIL SELLS BOLIVIAN ASSETS

REF: LA PAZ 2943

Classified By: Ecopol Counselor Andrew Erickson for reason 1.4 (e).

(C) Exxon Mobil's Vice President of the Americas William Drennan told the Ambassador on November 27 that Exxon sold its Bolivian assets -- an approximately USD 100 million investment in the Itau natural gas field jointly owned with the French company Total -- to Total prior to the GOB's contract migration deadline of October 28 (reftel). According to Drennan, Exxon sold its assets because of the lack of contract sanctity and reliable judicial recourse in Bolivia. Drennan said that Exxon did not want to give up ownership and marketing rights of its production as required by the new contracts, nor "slide down the slippery slope" of contract renegotiations, setting a bad example for its worldwide operations. The sale will reduce U.S. investments in Bolivia's recently semi-nationalized (reftel) hydrocarbons sector by 21 percent, from USD 481 million to USD 381 million, decreasing U.S. exposure in this conflictive sector, which is dominated by Brazilian, Spanish, British, and French investment.
GOLDBERG